

Message Text

LIMITED OFFICIAL USE

PAGE 01 KABUL 06905 210721Z

16

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 AGR-05 CIAE-00 INR-07 LAB-04

NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03 OMB-01

L-03 /048 W

----- 061679

P R 210614Z OCT 75

FM AMEMBASSY KABUL

TO SECSTATE WASHDC PRIORITY 4739

USDOC WASHDC

LIMITED OFFICIAL USE KABUL 6905

E. O. 11652: N/A

TAGS: BEXP, AF

SUBJECT: MAJOR PROJECT: KANDAHAR TEXTILE

REFS: A. STATE 241662

B. KABUL 6718

1. HUGH BALLARD OF AMATEX MET WITH PRESIDENT OF INDUSTRIES, M. HASHEM TOUFIQUI, AFTERNOON OF OCTOBER 19. ACCORDING TO BALLARD, TOUFIQUI SAID THAT AMATEX BID FOR KANDAHAR TEXTILE WAS TOO HIGH AND ASKED IF PRICE COULD BE REDUCED ABOUT 50 PERCENT. TOUFIQUI SAID HIS ORDERS WERE TO ACCEPT LOWEST BID AND AMATEX BID WAS \$44 MILLION FOR TURNKEY PROJECT COMPARED TO \$25 MILLION BID BY TURNER CONSTRUCTION CO. BULK OF THE DIFFERENCE IN THE TWO BIDS, ACCORDING TO BALLARD, IS FOR SPINNING AND WEAVING MACHINERY WHICH AMATEX BID TOTALLED ABOUT \$23 MILLIONJR WHILE PRC-MADE MACHINERY IN TURNER BID RAN ABOUT \$9 MILLION, BALLARD ALSO EXTREMELY SKEPTICAL THAT TURNER COULD HOLD TO \$8 MILLION FIGURE INCLUDED IN THEIR BID FOR CONSTRUCTION, TRANSPORT, AND MECHANICAL EQUIPMENT.

2. BALLARD WAS UNDERSTANDABLY DISCOURAGED. IN TALKS WITH AMBASSADOR AND EMBOFFS, HE ADMITTED THAT AMATEX MIGHT BE ABLE TO MAKE SMALL REDUCTIONS IN ITS BID BUT COULD NOT APPROACH TURNER BID OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KABUL 06905 210721Z

\$25 MILLION. MOREOVER, BALLARD CONVINCED HUGE COSTS OVERRUNS

INEVITABLE IF TURNER AWARDED THE CONTRACT SINCE THEIR BID IS UNREALISTICALLY LOW.

3. COMMENT: WHILE THE EMBASSY HAS NO INTENTION OF BECOMING DIRECTLY

INVOLVED IN THE BIDDING PROCEDURE, WE PLAN DISCREETLY TO COUNSEL PRUDENCE AND CAUTION TO THE AFGHAN MINISTRIES INVOLVED. WE WILL ALSO DISCUSS MATTER WITH TURNER REPS WHEN THEY NEXT APPEAR IN KABUL. IF THERE IS ANY SUBSTANCE TO BALLARD'S CLEAR IMPLICATION THAT TURNER IS ENGAGING IN DELIBERATE MISREPRESENTATION OF COSTS, THIS COULD HAVE ADVERSE EFFECT NOT ONLY ON REPUTATION OF US FIRMS HERE (AND TURNER, HONG KONG, IS CONSIDERED US FIRM BY AFGHANS), BUT ALSO ON THE GOA'S VIEW OF THE PRIVATE SECTOR IN GENERAL. DEPARTMENT OR USDOC MAY ALSO WISH TAKE SOUNDINGS WITH TURNER, NEW YORK.

4. BALLARD DEPARTED AFGHANISTAN FOR ALGERIA MORNING OF OCTOBER 20.
ELIOT

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 21 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KABUL06905
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750364-0914
From: KABUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751034/aaaabdpw.tel
Line Count: 80
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 241662
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 14 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 JUL 2003 by CunninFX>; APPROVED <18 NOV 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: KANDAHAR TEXTILE
TAGS: BEXP, AF
To: STATE COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006